

Sperry Van Ness®

 **Sperry Van Ness**
Commercial Real Estate Advisors

FRANCHISE DISCLOSURE DOCUMENT

**DEPARTMENT OF CORPORATIONS
RECEIVED LOS ANGELES OFFICE**

SPERRY VAN NESS INTERNATIONAL CORPORATION
18401 Von Karman Avenue, Suite 340
Irvine, California 92612
(888) 311-0605
compliance@svn.com
www.svn.com

MAY 24 2012

We offer a franchise to operate a Sperry Van Ness® office that offers commercial real estate brokerage services to the public.

The total investment necessary to begin operation of a new Sperry Van Ness National Advisor franchised business is between \$2,627 and \$108,650. This includes an initial franchise fee that must be paid to Sperry Van Ness International Corporation (“SVNIC”) of \$-0- if you qualify for the Property Management Services Addendum. If you do not qualify for a Property Management Services Addendum, the initial franchise fee is \$10,000 for a National Advisor License Agreement, or \$20,000 if you qualify for the Team Addendum, or \$25,000 if you qualify for the Established Firm Addendum.

The total investment necessary to begin operation of a conversion Sperry Van Ness National Advisor franchised business is between \$627 and \$70,480. This includes an initial franchise fee that must be paid to SVNIC of \$-0- if you qualify for the Property Management Services Addendum. If you do not qualify for a Property Management Services Addendum, the initial franchise fee is \$10,000 for a National Advisor License Agreement, or \$20,000 if you qualify for the Team Addendum, or \$25,000 if you qualify for the Established Firm Addendum. A conversion Sperry Van Ness National Advisor franchised business is an existing commercial property brokerage business that converts to the Sperry Van Ness Marks and System.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Jen Skilliter, Sperry Van Ness International Corporation, 18401 Von Karman Avenue, Suite 340, Irvine, California 92612, 888-311-0605.

The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: March 28, 2012, as amended May 21, 2012

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. **REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.**

Call the state franchise administrator listed in Exhibit B for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following **RISK FACTORS** before you buy this franchise:

THE NATIONAL ADVISOR LICENSE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION/ARBITRATION ONLY IN CALIFORNIA. OUT OF STATE LITIGATION/ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO LITIGATE/ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR HOME STATE.

THE NATIONAL ADVISOR LICENSE AGREEMENT STATES THAT CALIFORNIA LAW, WITH SPECIFIED EXCEPTIONS, GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

WE HAVE AN IRREVOCABLE UNSECURED LINE OF CREDIT AGREEMENT DATED JUNE 1, 2011 IN THE AMOUNT OF \$500,000 WITH OUR MAJORITY SHAREHOLDER FOR THE PURPOSE OF PROVIDING WORKING CAPITAL TO US. THE LINE OF CREDIT BEARS INTEREST AT 6% AND MATURES ON MAY 31, 2012. THE INABILITY OF THE MAJORITY SHAREHOLDER TO FOLLOW THROUGH ON ITS COMMITMENT COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR FINANCIAL CONDITION AND FUTURE RESULTS OF OPERATIONS.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more Franchise Brokers or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/svn>